

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF  
COUNTY AUDITOR  
DELAWARE COUNTY, INDIANA  
January 1, 2006 to December 31, 2006



**FILED**  
09/12/2007



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## COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jane Lasater Judy Rust	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the County Council	Joseph M. Russell Bradley Bookout	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Tom Bennington John Brooke	01-01-06 to 12-31-06 01-01-07 to 12-31-07



# STATE OF INDIANA

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STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the County Auditor for the period from January 1, 2006 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Delaware County for the year 2006.

STATE BOARD OF ACCOUNTS

July 25, 2007

COUNTY AUDITOR  
DELAWARE COUNTY  
AUDIT RESULTS AND COMMENTS

SURPLUS TAX FUND

The subsidiary ledger for surplus tax funds was not reconciled to the control account and mathematical errors were found on ledger sheets prepared by the Auditor's Office. In two instances, we found duplicate payments totaling \$869.41.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

DITCH RECORDS

As reported in prior Report B27903, several errors were noted in the computerized ditch control totals. Computer records were not provided to the Auditor's office and assessments were not posted to the manual records. The beginning balance did not agree to the prior years ending balance for some ditches. Amounts posted for cash, accumulation of errors, and additional taxes could not be verified. Not all Certificates of Errors were posted to the manual ditch records. In addition, the manual records for the General Drain Improvement Fund had not been reconciled to the fund ledger.

We instructed the unit that the ditch control totals need to be reconciled to the auditor's ledger and amounts posted to the ditch control totals need to be identified and verified.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Drainage, Chapter 9)

COUNTY AUDITOR  
DELAWARE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

APPROVAL OF TAX REFUNDS

Currently, tax refunds are being prepared and approved by employees of the County Auditors Office, but are not approved by the County Treasurer or the County Assessor.

Indiana Code 6-1.1-26-3(a) states: "A refund claim which is filed under section 1 of this chapter and which is not subject to review by the department of local government finance under section 2 of this chapter shall be either approved or disapproved by the county auditor, the county treasurer, and the county assessor."

INTERNAL CONTROLS – CERTIFICATE OF ERRORS

Controls for certificate of error generated by the Auditor's Office are insufficient. For the taxing unit tested 50% did not list the reason for the certificate of error and Form 133, Petition for Correction of an Error, could not be found and was not presented for audit.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Indiana Code 6-1.1-15-12 identifies the 8 reasons for which a correction of error may be issued. Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR  
DELAWARE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 25, 2007, with Judy Rust, Auditor; Bradley Bookout, President of the County Council; and John Brooke, President of the Board of County Commissioners.